

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

PRAIRIE CREEK - VIGO CONSERVANCY DISTRICT

VIGO COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
03/06/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Barrett Piety	01-01-10 to 12-31-12
President of the Board	Fred Wilson	01-01-10 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PRAIRIE CREEK - VIGO CONSERVANCY  
DISTRICT, VIGO COUNTY, INDIANA

We have examined the accompanying financial statements of Prairie Creek - Vigo Conservancy District (District), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the financial statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior period.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the District for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the District's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the District's management, District Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 10, 2013

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## FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the District. The financial statements and notes are presented as intended by the District.

PRAIRIE CREEK - VIGO CONSERVANCY DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 14,755	\$ 33,377	\$ 44,900	\$ 3,232
Debt Reserve	<u>439,115</u>	<u>17,558</u>	<u>-</u>	<u>456,673</u>
Totals	<u>\$ 453,870</u>	<u>\$ 50,935</u>	<u>\$ 44,900</u>	<u>\$ 459,905</u>

The notes to the financial statements are an integral part of this statement.

PRAIRIE CREEK - VIGO CONSERVANCY DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General Fund	\$ 3,232	\$ 15,164	\$ 15,846	\$ 2,550
Debt Reserve	<u>456,673</u>	<u>18,261</u>	<u>-</u>	<u>474,934</u>
Totals	<u>\$ 459,905</u>	<u>\$ 33,425</u>	<u>\$ 15,846</u>	<u>\$ 477,484</u>

The notes to the financial statements are an integral part of this statement.

PRAIRIE CREEK-VIGO CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The accompanying financial statements present the financial information for the District.

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the District.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

PRAIRIE CREEK-VIGO CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The District may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the District. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the District in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits.

PRAIRIE CREEK-VIGO CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. *Deposits and Investments***

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. *Risk Management***

The District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the District to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the District's 2010 Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the District's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the District which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the District. It is presented as intended by the District.

PRAIRIE CREEK - VIGO CONSERVANCY DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	<u>General</u>	<u>Debt Reserve</u>	<u>Totals</u>
Cash and investments - beginning	\$ 14,755	\$ 439,115	\$ 453,870
Receipts:			
Taxes	18,311	-	18,311
Other receipts	<u>15,066</u>	<u>17,558</u>	<u>32,624</u>
Total receipts	<u>33,377</u>	<u>17,558</u>	<u>50,935</u>
Disbursements:			
Personal services	1,700	-	1,700
Other services and charges	43,200	-	43,200
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>44,900</u>	<u>-</u>	<u>44,900</u>
Excess (deficiency) of receipts over disbursements	<u>(11,523)</u>	<u>17,558</u>	<u>6,035</u>
Cash and investments - ending	<u>\$ 3,232</u>	<u>\$ 456,673</u>	<u>\$ 459,905</u>

PRAIRIE CREEK - VIGO CONSERVANCY DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	<u>General Fund</u>	<u>Debt Reserve</u>	<u>Totals</u>
Cash and investments - beginning	\$ 3,232	\$ 456,673	\$ 459,905
Receipts:			
Other receipts	<u>15,164</u>	<u>18,261</u>	<u>33,425</u>
Total receipts	<u>15,164</u>	<u>18,261</u>	<u>33,425</u>
Disbursements:			
Personal services	800	-	800
Supplies	18	-	18
Other services and charges	7,628	-	7,628
Other disbursements	<u>7,400</u>	<u>-</u>	<u>7,400</u>
Total disbursements	<u>15,846</u>	<u>-</u>	<u>15,846</u>
Excess (deficiency) of receipts over disbursements	<u>(682)</u>	<u>18,261</u>	<u>17,579</u>
Cash and investments - ending	<u>\$ 2,550</u>	<u>\$ 474,934</u>	<u>\$ 477,484</u>

PRAIRIE CREEK - VIGO CONSERVANCY DISTRICT  
SCHEDULE OF LEASES AND DEBT  
December 31, 2011

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	USDA RD Fund Code # 53 Loan 1 04-23-71	\$ 58,735	\$ 7,100
Lines of credit	Terre Haute Savings Bank L.O.C. #200112660	<u>14,700</u>	<u>300</u>
Total governmental activities		<u>73,435</u>	<u>7,400</u>
Totals		<u>\$ 73,435</u>	<u>\$ 7,400</u>

PRAIRIE CREEK - VIGO CONSERVANCY DISTRICT  
EXAMINATION RESULTS AND COMMENTS

**FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS**

The Board Members are paid \$50 for each meeting they attend; however, they do not have Federal and State taxes withheld from the payments and they do not receive a W-2 Statement of Earnings at year end.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

**DEPOSITS**

We noted checks disbursed to the District in December of 2010 and 2011, for the Fall settlements, weren't deposited until June of the following year.

Indiana Code 5-13-6-1 (c) states in part:

" . . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. Public funds deposited under this subsection shall be deposited in the same form in which they were received."

**LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER**

As stated in prior Report B38613, a list of employees was not certified to the County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

PRAIRIE CREEK - VIGO CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on January 10, 2013, with Jan Came, Bookkeeper. The official concurred with our findings.